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Research News for the U.S. Travel Industry

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TRAVEL PRINTOUT

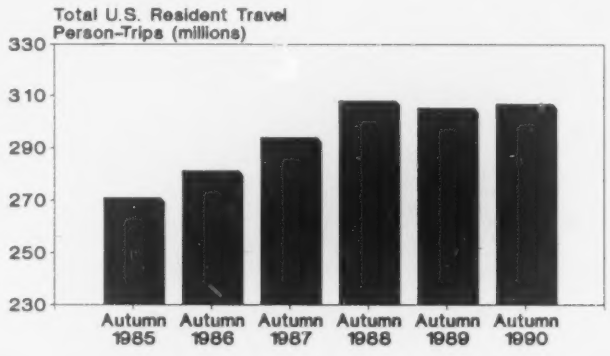
US Travel Data Center

March 1991 **Volume 20, Number 3**

Escalating Travel Prices Impact Autumn Travel Season

The Middle East crisis and the subsequent escalation of travel prices contributed to a slowdown in the growth of travel this past autumn. Autumn travel in 1990 increased less than 1 percent over autumn 1989, according to the Data Center's *1990 Autumn Travel Market Report.*

There were a total of 307 million U.S. resident person-trips taken in the months of September, October and November 1990. (A person-trip is one person traveling 100 miles or more away from home).



This autumn marked the second consecutive autumn that travel has been flat, this after five years of growth. In fact, since 1984 autumn travel has increased more than 16 percent.

"Americans traveled for shorter periods of time and stayed closer to home this past autumn," said Suzanne Cook, executive director at the Data Center. "Possibly to offset escalating travel prices."

The average duration of a trip fell from 4.2 nights in autumn 1989 to 3.8 nights this past autumn. Pleasure travel showed one of the largest declines in duration during autumn 1990, dropping nearly one full night, while business travel, on the other hand, showed an increase.

Travel this past autumn was also shorter in round-trip distance. The average distance of a trip dropped from 920 round-trip miles in autumn 1989 to 780 round-trip miles in autumn 1990.

The largest decrease in average round-trip miles was in business travel. The average round-trip distance of a business trip dropped from 1,130 miles in autumn 1989 to 900 round-trip miles this past autumn, a drop of more than 200 miles.

The Great Lakes region enjoyed the largest increase in travel volume with the West and Southeast also showing substantial increases, while the Northeast and Midwest decreased in travel volume as destinations.

One of the major factors for the stabilization in autumn travel was the acceleration of travel prices due to the Iraq invasion of Kuwait. The price of crude oil soared from $20 a barrel in the spring to $40 a barrel in the fall of 1990. In addition, self-serve unleaded gasoline peaked at $1.39 in late November, according to AAA.

According to the Data Center's Travel Price Index (TPI), the overall cost of travel for the autumn season rose nearly 12 percent from the previous summer. The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S., grew to 140.5 (1982 - 84 = 100) during these three months.

Lodging costs, on the other hand, showed monthly decreases in September, October and November. The decrease in prices showed in the volume of person-trips involving stays in hotels/motels, which jumped nearly 8 percent this past autumn.

In addition, 47 percent of all person-trips this past autumn involved a stay at a hotel or motel, while 36 percent were at friends and relatives home. More than 46 percent of all pleasure person-trips involved stays at friends and relatives and 40 percent of pleasure travel was at hotels or motels.

The 1990 Autumn Travel Market Report is one of four seasonal reports based on the Data Center's National Travel Survey. The 100 pages include information on air and auto travelers, vacationers, business travelers and senior travel, among other segments.

The Autumn report and the other seasonal reports can be purchased for $100 by contacting the Data Center at (202) 293-1040. For additional information contact Julie Bowers at the Data Center. *(Members of the Data Center will be receiving a complimentary copy).*

INSIDE: Data Center Insider
Features TEIM Revision

Motor Fuel Prices Decrease in February

The cost of travel in the United States showed its smallest monthly percentage increase in February since September 1990, rising only 0.1 percent. The slight increase was primarily due to the nearly 8 percent decrease in motor fuel costs, according to the Data Center's latest Travel Price Index (TPI).

The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S. increased to 145.6 (1982 - 84 = 100) during February.

For comparison, the overall cost of goods and services Americans purchased as measured by the Consumer Price Index (CPI) also increased 0.1 percent to 134.8 in February.

Travel Price Index and Components

February 1991 TPI Component	Monthly % Change Jan. 1991 to Feb. 1991	Annual % Change Feb. 1990 to Feb. 1991
Transportation	-4.3	13.9
Airline Fares	0.5	19.6
Other Intercity Trans.	0.0	6.7
Intracity Public Trans.	0.7	3.8
Motor Fuel	-7.9	10.0
Lodging	2.3	18.9
Food and Beverages Away From Home	0.4	4.8
Entertainment	0.2	5.5
TRAVEL PRICE INDEX	0.1	11.2
CONSUMER PRICE INDEX	0.1	5.3

Source: U.S. Travel Data Center and the U.S. Bureau of Labor Statistics

For the third consecutive month, motor fuel costs decreased. Even though motor fuel prices decreased 7.9 percent in February, the cost of motor fuel did increase 10 percent over the past 12 months.

Overall transportation costs decreased for the second consecutive month and showed its largest decrease since April 1986. But during the last 12 months, transportation prices increased more than 13 percent.

Lodging and airline fares jumped more than 18 percent during the last 12 months. Overall, the TPI rose 11.2 percent and the CPI rose more than 5 percent over the past 12 months.

December Travel Decreases

The U.S. travel industry felt the negative effects of an economic recession at home and the conflict in the Gulf as overall travel by U.S. residents decreased nearly 14 percent in December. There were more than 93 million person-trips taken by U.S. residents this past December, according to the Data Center's latest National Travel Survey (NTS) results. (A person-trip measures each person traveling 100 miles or more away from home.)

Every segment of the travel industry suffered declines in December, particularly air and hotel/motel travel. These declines reflect, at least part, the escalating air fares, which jumped more than 22 percent in December, according to the TPI.

The average travel party size and the average duration of travel remained stable this past December. There were an average of 2 persons per trip in December with the average duration of a trip remaining at 4.3 nights in December.

Vacation travel contributed significantly to the overall decrease in overall December travel. There was a 19 percent decrease in vacation travel this past December as compared to last December with more than 63 million person-trips. It was the third consecutive month that vacation travel showed a decrease.

The average round-trip distance dropped substantially this past December. The 940 round-trip miles averaged last December dropped to 830 round-trip miles in December 1990, confirming that travelers stayed closer to home.

Regional travel patterns remained fairly consistent in December, as the Great Lakes hosted 13.5 million travelers, posting a substantial gain for the year-to-date. The Midwest and West regions both showed moderate full-year 1990 increases of 4.1 and 2.1 percent, respectively, while the Northeast and Southeast continued to experience declines in traveler volumes for the year.

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Dr. Suzanne D. Cook, Executive Director
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TRAVEL PRINTOUT reports on Data Center projects, national travel research conducted by other organizations and trends in the U.S. Travel Industry. Subscriptions are $75 per year; Foreign countries, $80 per year, payable in U.S. funds. ISSN: 0744-6233.

1990 U.S. Hotel Guest Study Profiles Hotel Guests, Segments

Adults in one out of every three U.S. households reported staying in hotels during a recent three month period, according to the Hotel & Motel Index's *1990 U.S. Hotel Guest Study.*

The study, which is conducted in cooperation with the U.S. Travel Data Center, is based on a mail panel survey of 28,589 U.S. households, conducted during the months of April, May and June 1990. More than 9,000 responding households reported one or more hotel stays during the study period.

The report presents insights on who these guests were, why they were traveling, the types of hotels they visited and their satisfaction with their hotel visits.

The average hotel visit lasted 3.3 nights with almost two-thirds of all visits lasting only one or two nights. A majority of the hotel visits (56 percent) were for leisure purposes with the remainder (44 Percent) being business related.

Among the leisure visits, weekend escapes, sightseeing or tours and visits to friends or relatives each accounted for about 10 percent of hotel stays. Other vacation or personal travel accounted for 24 percent of hotel visits. Business trips made for conventions or other business reasons accounted for 44 percent.

Couples accounted for 45 percent of all hotel visits, while men traveling alone accounted for 32 percent and women traveling alone for 22 percent of visits. Couples visited hotels primarily for leisure, men primarily for business and women about equally for leisure and business.

Calling the hotel directly was the most frequently used method of obtaining reservations and accounted for one-quarter of all stays, according to the survey. The hotel's toll-free phone number, travel agents and company travel managers were other frequently used methods.

Travel agents accounted for 14 percent of all hotel reservations and guests using travel agents were more likely to be men or women traveling alone and less likely to be couples. Travel agents were more important to upscale hotels, as over half of all reservations they made were placed with upscale/luxury hotels.

There are four reports that will be published from this study. The first of these, *Profile of U.S. Hotel Guests and Key Guest Segments,* is now available through the Data Center. This report describes the total U.S. hotel guest market in overall terms and then provides detail on 12 key guest segments.

The hotel guest segments include: business, leisure, frequent, male, female and couples hotel guests, hotel guests with reservations made by travel agents, upscale resort and hotel guests, mid-price and budget and downtown, airport and suburban hotel guests.

The report can be purchased from the Data Center for $300. To purchase the report, contact the Data Center at (202) 293-1040.

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Data Center Insider

The U.S. Travel Data Center March 1991

Travel Economic Impact Model Revision Completed

Revisions of the only national model which produces the economic impact of travel at the national, state and local levels has been completed after nearly two years of improvements and updates, announced the U.S. Travel Data Center.

"The completed revision of the Travel Economic Impact Model (TEIM) ensures continued and greater accuracy, flexibility and stability, in reaching our goal of providing the most reliable travel economic impact estimates to the travel industry," said Suzanne Cook, executive director at the U.S. Travel Data Center. "Estimates produced by the revised model will be released in April."

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The TEIM provides states, cities and regions with a reliable estimate of economic impact and enables federal, state and local government officials and legislators to make intelligent policy decisions concerning the travel and tourism industry.

The announcement of the completed revision marks the end of a 20-month project that included consulting from a technical review panel comprised of travel industry authorities.

The revised model includes the following improvements over the original version:

- **Greater Accuracy.** The revised model takes advantage of more reliable travel and tourism data that were not available when the model was originally developed.
- **Greater Stability.** The revised model relies much more on annual data from authoritative sources, rather than benchmark data every 5 or 10 years.
- **Greater Flexibility.** The revised model is more closely tied to the Data Center's National Travel Survey, which provides estimates of the spending and impact of various types of travel, forecasts of expenditures, and integration with the United States Travel and Tourism Administration's (USTTA) foreign visitor expenditure series.

In addition, there are three new components added to the model: The Multiplier Component, Foreign Visitor Impact Component and Forecasting Component. The Multiplier Component allows the Data Center to produce estimates of total (direct and indirect) statewide travel economic impact estimates.

The Foreign Visitor Impact Component is designed to estimate the impact of foreign visitor spending at the national and state levels using input data from the USTTA's *In-Flight Survey of International Air Travelers*. The Forecasting Component enables the Data Center to provide projections of travel spending and impact at the state and national level for one to five years into the future.

In 1989, funding became available for a major revision of the TEIM, to take advantage of new and improved data on travel and tourism activities and costs to create a more flexible and stable model. The funding was made possible by a $150,000 contract from the U.S. government, a $50,000 contribution from the Travel Industry Association of America (TIA) and other contributions from the National Council of State Travel Directors and the private sector.

Even though there have been several additions and improvements to the TEIM, the basic approach to estimating the economic impact of U.S. travel away from home was retained in the revision process.

The Data Center will release data on the economic impact that travel and tourism has on each state in April, when it publishes its *1989 Impact of Travel on State Economies*.

The report will cover travel spending in each state, the employment, payroll income and tax revenue generated by this spending and the impact of travel spending on six industry segments.

Since 1977, when the first benchmark estimates were developed, the TEIM has been providing the only consistent annual estimates of direct travel-generated spending and its impact in terms of employment, payroll and tax revenue at the national, state and local levels.

NEWLY RELEASED

- 1990 Autumn NTS Seasonal Report
- 1990-91 Survey of State Travel Offices
- 1990 U.S. Hotel Guest Study

Discoveries...

Tourism is one of the top three industries in 39 states, according to The National Conference of State Legislator's *Travel and Tourism: A Legislator's Guide.*

The report, which utilizes statistics from the Data Center and other organizations, emphasizes the importance of the travel industry to the economic growth in the states.

Other information in the publication includes: An overview of the travel industry, analysis of its economic impact, emerging opportunities for states and the role and scope of state travel offices.

Travel and Tourism: A Legislator's Guide can be purchased for $20. Prepaid orders should be sent to the NCSL Book Order Department, 1560 Broadway, Suite 700, Denver, Colorado 80202. For additional information contact the NCSL at (303) 830-2200.

To submit your company's travel research projects, send a brief description of the report, including the price, address, and contact name, to Scott Dring, U.S. Travel Data Center, 1133 21st Street, Washington, D.C. 20036.

Summer Vacation Forecast to be held in Atlanta

The Data Center's tenth annual Summer Vacation Travel Forecast news conference has been tentatively set for May 21 in Atlanta. The news conference will be held in conjunction with The American Automobile Association (AAA) which will release its Memorial Day Travel Forecast.

Last year the Summer Vacation Travel Forecast was held in conjunction with AAA for the first time in Orlando, Florida.

This year's forecast will include a special analysis of how the Gulf War and recession is expected to affect the summer vacation season. This analysis will review consumer's travel attitudes and the impact that the Gulf War had on travel.

Other information will include the most traveled regions in the U.S., the most popular modes of transportation, distance and duration of vacations, accommodation usage, U.S. travel to foreign countries and other forecasts.

This year's forecast can be purchased through the Data Center after the May 21 news conference in Atlanta. Data Center full members will receive a free copy while all other members may purchase the forecast at a special discounted price to be offered in next month's issue of Travel Printout.

Visitor Volume at National Parks

Region	JAN 1991 visits	% Change from JAN 1990	Year to Date % Change 1991/90*
NEW ENGLAND	263,032	6.0%	6.0%
MIDDLE ATLANTIC	999,770	-0.3	-0.3
SOUTH ATLANTIC	2,951,531	-8.5	-8.5
EAST SOUTH CENT.	861,247	-1.6	-1.6
EAST NORTH CENT.	228,264	21.3	21.3
WEST NORTH CENT.	154,042	-12.4	-12.4
WEST SOUTH CENT.	338,136	-25.2	-25.2
MOUNTAIN	1,220,855	-2.7	-2.7
PACIFIC	2,610,425	2.9	2.9
TOTAL	9,627,302	-3.3	-3.3

* Percent change figures may not be consistent with those previously reported due to National Park Service revisions.

Census regions: New England: Conn., Maine, Mass., N.H., R.I., Vermont. Middle Atlantic: N.J., N.Y., Penn. S. Atlantic: Del., District of Columbia, Fla., Ga., Md., N.C., S.C., Va., W.Va. East South Central: Ala., Ky., Miss., Tenn. East North Central: Ill., Ind., Mich., Ohio, Wis. West North Central: Iowa, Kan., Minn., Mo., Neb., N.D., S.D. West South Central: Ark., La., Okla., Texas. Mountain: Ariz., Colo., Idaho, Mont., Nev., N.M., Utah, Wyo. Pacific: Alaska, Calif., Hawaii, Ore., Wash.

NOTE: As of December 1990, National Park data will come directly from the National Park Service. This improvement will enable the Data Center to publish more accurate data.

Western European Travel Increases in 1990

Western European's travel increased more than 3 percent in 1990 and their spending on travel jumped nearly 4 percent, according to the European Travel Data Center's (ETDC) *European Travel Monitor.*

Even though there was growth in overall travel in 1990, there was a decline in the number of nights spent abroad by Western Europeans. The decrease in overnights can be attributed to the much faster growth rate of short breaks, which jumped more than 12 percent in number in 1990.

Western European travel to Eastern Europe increased 130 percent in 1990. Travel to Central Europe, which includes Austria, West and East Germany, Switzerland, increased 19 percent due largely to the recent opening of the eastern part of Germany.

The March edition of the *European Travel Monitor* highlights the 1990 World Travel Review, a seminar held in conjunction with the International Tourism Bourse in Berlin.

The ETDC compiles data on the inbound and outbound travel markets of 18 Western European countries and 5 Eastern European countries. For additional information on the ETDC contact Elizabeth Stewart of the Data Center at (202) 293-1040.

Current Travel Indicators - 1990/91

	Month	Value	Units	Percent Change Last Month	Year Ago	Year To Date
Establishment Receipts or Retail Sales						
Hotels, Motels, Other Lodging Places(1)	Jan	$4,606	million	23.5	0.3	0.3
Eating and Drinking Places(2)	Feb	$15,347	million	1.3	1.5	1.8
Gasoline Service Stations(2)	Feb	$10,648	million	-4.9	6.2	8.6
Commercial Lodging Demand						
Hotel/Motel Occupancy Rates(3)	Jan	59.3	percent	-4.5	-6.6	-6.6
Real Demand for Commercial Lodging(4)	Jan	49.3	million	3.1	-1.1	-1.1
Airline Passenger Traffic (5)						
Domestic Revenue Passenger-Miles	Feb	23.2	billion	-7.3	-5.5	-3.3
Int'l Revenue Passenger-Miles	Feb	5.1	billion	-36.8	-26.8	-14.0
Highway Traffic Volume (6)						
Rural Arterial Passenger-Miles	Jan	36.7	billion	-9.0	-4.2	-4.2
Rail Passenger Traffic (7)						
Amtrak Passenger-Miles	Jan	470.1	million	-7.6	9.8	9.8
Travel Price Index (1982 - 84 = 100) (8)	Feb	145.6		0.1	11.2	12.0
U.S. Resident Travel						
Total Person-trips(9)	Dec	93.6	million	-1.1	-13.7	1.1
Vacation Person-trips(9)	Dec	63.2	million	1.8	-19.1	0.6
Total Person-nights(10)	Dec	402.5	million	3.8	n/a	n/a
Vacation Person-nights(10)	Dec	322.3	million	8.1	n/a	n/a
Visitor Volume at National Park Service Areas (11)						
Recreation Visits	Jan	9,627,302		-5.3	-3.3	-3.3
Overnight Stays	Jan	394,440		13.5	3.3	3.3
Foreign Arrivals to the U.S.						
From Overseas(12)	Oct	1,266,441		-7.1	11.0	6.2
From Canada(13)	Jan	1,060,038		2.8	-1.3	-1.3
From Mexico(12)	Oct	111,246		10.3	20.9	7.4
U.S. Citizen Departures						
To Overseas(12)	Sept	1,346,400		-16.5	8.3	9.3
To Canada(13)	Jan	381,851		-30.2	-6.3	-6.3
Domestic Demand for Gasoline						
Barrels/Day(14)	Jan	6,725	thousands	-3.6	0.8	0.8

(1) Source: Smith Travel Research, seasonally adjusted. (2) Preliminary, revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted, 1988 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary, U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: U.S. Travel Data Center and Bureau of Labor Statistics. (9) Source: U.S. Travel Data Center. (10) U.S. Travel Data Center. Data is not comparable to earlier published numbers due to revised methodology. (11) Preliminary, unadjusted for differences in reporting units. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 194 arrivals only. (13) Statistics Canada. (14) Preliminary. Source: U.S. Department of Energy.

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